

## Super Fund Status

The Super Fund is a government-sponsored retirement savings scheme that aims to provide a secure and comfortable income for New Zealanders in their later years. The Super Fund invests the contributions from taxpayers and employers in a diversified portfolio of assets, both locally and internationally, to grow the fund over time. The Super Fund is managed by the Guardians of New Zealand Superannuation, an independent Crown entity that operates at arm's length from the government. The Super Fund is not a pension fund, but rather a pool of capital that helps to smooth the cost of providing universal superannuation to all eligible New Zealanders. The Super Fund does not pay out individual benefits, but rather transfers funds to the government each year to help cover the cost of superannuation payments. The Super Fund's performance is measured by its ability to exceed the risk-free rate of return, which is based on the yield of New Zealand Treasury Bills. The Super Fund's long-term objective is to achieve an average annual return of at least 2.5% above the risk-free rate, after costs and before tax, over any 20-year moving average period. As of 31 December 2023, the Super Fund had a total value of \$82.4 billion, an increase of \$6.7 billion from the previous year. The Super Fund's return for the 12 months ended 31 December 2023 was 9.8%, beating the risk-free rate by 6.1%. Since its inception in 2003, the Super Fund has generated a cumulative return of \$57.9 billion, or \$35.4 billion more than the risk-free rate.